

VZCZCXRO3344
RR RUEHGI RUEHRN RUEHROV
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FM AMEMBASSY KAMPALA
TO RUEHC/SECSTATE WASHDC 9182
INFO RUCNIAD/IGAD COLLECTIVE
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UNCLAS KAMPALA 001272

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DEPARTMENT FOR AF/C (LEADERS); AF FOR SWAN

E.O. 12958: N/A

TAGS: MOPS ASEC PINS PHUM PGOV PTER UG

SUBJECT: UGANDA PROTESTS TO DRC OVER OIL FACILITY ATTACK

Summary

¶1. (SBU) The Uganda Government protested to the Government of the Democratic Republic of Congo (DRC) accusing DRC troops of attacking Heritage Oil installations on Lake Albert on August 3rd. Security sources affirm that a British geologist was killed. In a separate incident on July 28, four Uganda Peoples Defense Force (UPDF) soldiers were reportedly detained by DRC elements. The attack comes at a time of increased optimism in Uganda's oil sector as offshore drilling begins on the heels of a recent natural gas discovery. These recent acts, reportedly triggered by a border dispute could harm relations of the two countries, which had improved over the past three years. End Summary.

¶2. (SBU) On August 3, the GOU protested to the Government of DRC of a morning attack which killed Carl Nefdt, a British national working with Heritage Oil, a Canadian firm. Media reports said three Congolese armed patrol boats attacked a Heritage exploration crew boat, which was carrying out a seismic survey on Lake Albert. Daudi Migereko, Minister of Energy and Minerals, provided a strongly worded diplomatic note to the DRC representative in Uganda urging "the Congolese government and the United Nations to explain the incident". The media quoted the Congolese diplomat as describing the situation as a "serious problem which my country and the Uganda Government should resolve as soon as possible".

¶3. (SBU) This incident comes at a time when Ugandan exploration efforts are accelerating. In a meeting with EconOff on July 27 Minister Migereko said that Uganda has recently discovered natural gas reserves at the oil site. Migereko said initial tests indicate 14 million cubic feet of natural gas per day which would be enough to power 50 to 100 megawatts of thermal generators. Migereko said that current total output is up to 30,000 barrels from 24,000 barrels a few months ago. Migereko estimates that this figure could rise to 40,000 or 60,000 barrels in the coming months as more exploratory wells are dug.

¶4. (SBU) Uganda is increasingly optimistic about exploratory offshore drilling in Lake Albert which was scheduled to begin in just a few weeks. Migereko told Econoff that the recent oil finds appear to lead back to a larger oil reserve under the lake. He added that Uganda would have a better understanding of the size of the discovery once offshore drilling and testing is complete. Migereko dismisses local press reports stating that Uganda has oil reserves of 500 million barrels. He says it is too early to put a figure on the size of the reserve until offshore drilling tests are complete. The GOU intends to subdivide its remaining oil parcels near Lake Albert and will begin a public tender process in the early 2008 for prospective investors.

¶5. (SBU) In a separate, but possibly related incident, Lt. Tabaro Kiconco, the UPDF spokesperson in Western Uganda, confirmed the

arrest of four soldiers by DRC forces on July 28. He said the soldiers were arrested while on official duty at Rukwanzi Island on the Ugandan side of Lake Albert. Kiconco said the soldiers work under the UPDF Marine Unit. They were detained in Bunya. Emboffs talked to Kiconco who was heading to Rukwanzi in DRC to attend a security meeting to resolve the problem. Kiconco said the UPDF is providing protective measures for the oil workers.

Comment

¶6. (SBU) This attack caught the GOU by surprise. When Econoff asked Minister Migereko just days before the attack if the security situation near the oil operations on the lake was concern for the GOU, he responded that there were not any immediate concerns or threats from the DRC. Uganda is moving faster than the DRC to exploit potential oil reserves under the lake which is shared by the two countries. There is speculation that the attacks may be an attempt to reassert DRC interests in its share of the oil reserves.

End Comment
BROWNING